

House File 2273 - Introduced

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BY MERTZ

A BILL FOR

1 An Act relating to drainage districts, by modifying the amount
2 of a bid security required to be submitted by bidders
3 proposing to make improvements and modifying the threshold
4 amount requiring the letting of bids to construct an
5 improvement, and including effective date provisions.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 468.34, Code 2009, is amended to read as
2 follows:

3 **468.34 Advertisement for bids.**

4 The board shall publish notice once each week for two
5 consecutive weeks in a newspaper published in the county
6 where the improvement is located, and publish additional
7 advertisement and publication elsewhere as the board may
8 direct. The notice shall state the time and place of letting
9 the work of construction of the improvement, specifying the
10 approximate amount of work to be done in each numbered section
11 of the district, the time fixed for the commencement, and the
12 time of the completion of the work, that bids will be received
13 on the entire work and in sections or divisions of it, and
14 that a bidder will be required to deposit ~~with the bid cash,~~
15 ~~a certified check on and certified by a bank in Iowa, or a~~
16 ~~certified share draft from a credit union in Iowa payable to~~
17 ~~the auditor or the auditor's order, at the auditor's office, in~~
18 ~~an amount equal to ten percent of the bid, in no case to exceed~~
19 ~~ten thousand dollars~~ a bid security with the county auditor as
20 provided in section 468.35. All notices shall fix the date
21 to which bids will be received and upon which the work will
22 be let. However, when the estimated cost of the improvement
23 is less than ~~fifteen~~ twenty thousand dollars, the board may
24 let the contract for the construction without taking bids and
25 without publishing notice.

26 Sec. 2. Section 468.35, subsection 2, Code 2009, is amended
27 to read as follows:

28 2. A bid shall be in writing, specifying the portion
29 of the work upon which the bid is made, and filed with the
30 auditor. The bid shall be accompanied with a bid security.
31 The bid security shall be in the form of a deposit of cash, a
32 certified check on and certified by a bank in Iowa, a certified
33 share draft drawn on a credit union in Iowa, or a bid bond
34 with a corporate surety satisfactory to the board as provided
35 in section 73A.20. The bid security must be payable to the

1 auditor or the auditor's order at the auditor's office in a sum
 2 equal to ~~ten~~ five percent of the amount of the bid, ~~but not to~~
 3 ~~exceed ten thousand dollars~~. However, if the maximum limit
 4 on a bid security would cause a denial of funds or services
 5 from the federal government which would otherwise be available,
 6 or if the maximum limit would otherwise be inconsistent with
 7 the requirements of federal law, the maximum limit may be
 8 suspended to the extent necessary to prevent denial of federal
 9 funds or services or to eliminate the inconsistency with
 10 federal requirements. The cash, check, or share draft of an
 11 unsuccessful bidder shall be returned, and the bid bond of an
 12 unsuccessful bidder shall be canceled. The bid security of a
 13 successful bidder shall be maintained as a guarantee that the
 14 bidder will enter into contract in accordance with the bids.

15 Sec. 3. Section 468.66, Code 2009, is amended to read as
 16 follows:

17 **468.66 Bids required.**

18 In case the board shall finally determine that any such
 19 changes as defined in section 468.62 shall be made involving
 20 an expenditure of ~~fifteen~~ twenty thousand dollars or more, the
 21 work shall be let by bids in the same manner as is provided for
 22 the original construction of such improvements.

23 Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
 24 immediate importance, takes effect upon enactment.

25 EXPLANATION

26 This bill amends a provision in Code chapter 468 which
 27 authorizes a governing board, usually a county board of
 28 supervisors and sometimes a joint board of supervisors or a
 29 board of trustees, to establish and administer a drainage
 30 district or districts and to locate and establish levees. This
 31 includes the authority to maintain improvements to a levee,
 32 ditch, drain, watercourse, or settling basin (Code section
 33 468.1).

34 The bill amends Code sections 468.34 and 468.35, which
 35 provide for the letting of bids by the board to make

1 improvements to the drainage district. A bidder must submit
2 a bid security which is a bond or other proof of financial
3 responsibility to the county auditor in an amount equal to 10
4 percent of the bid amount or \$10,000, whichever is less. This
5 bill reduces the percentage of the bid amount required to be
6 pledged from 10 percent to 5 percent and eliminates the \$10,000
7 ceiling.

8 The bill also amends Code sections 468.34 and 468.66 which
9 establish a threshold dollar amount before a board must let
10 bids for a contract to construct an improvement. The bill
11 increases the threshold from \$15,000 to \$20,000.

12 The bill takes effect upon enactment.